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9

10 **UNITED STATES DISTRICT COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**  
12

13 CATALINA YACHTS, INC., a  
California corporation,

14 Plaintiff,

15 v.

16 SHARON DAY, an individual;  
17 GERARD DOUGLAS, an individual;  
and DOES 1 through 10, inclusive,

18 Defendant.  
19  
20

Case No. 2:25-cv-04090-SVW-RAO

Assigned to The Hon. Stephen V.  
Wilson

**COUNTER-DEFENDANT  
CATALINA YACHTS, INC.'S  
REPLY IN SUPPORT OF MOTION  
TO DISMISS COUNT FOUR OF  
SHARON DAY'S COUNTERCLAIM**

Date: October 20, 2025  
Time: 1:30 p.m.  
Dept.: 10A

21 **AND RELATED COUNTERCLAIMS**  
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Action Filed: May 7, 2025  
Trial Date: January 6, 2026

1 **I. INTRODUCTION**

2 Counter-Defendant Catalina Yachts, Inc. (“Catalina”) submits this reply in  
3 further support of its motion to dismiss Count Four of Sharon Day’s (“Day”) Cross-  
4 Complaint. Count Four asserts a fraudulent transfer claim under the California  
5 Uniform Voidable Transaction Act (“UVTA”)<sup>1</sup> against both Catalina and Michael  
6 Reardon (“Reardon”) as the transferee. Day has stated she will dismiss Reardon,  
7 leaving only Catalina on Count Four.

8 Day’s opposition confirms that the claim fails as a matter of law. She offers  
9 only vague “information and belief” allegations instead of particularized facts. She  
10 does not rebut Catalina’s showing that *Renda v. Nevarez* prohibits a money  
11 judgment against Catalina, and she identifies no remedy the Court could grant  
12 against Catalina alone, particularly once Reardon is dismissed. Accordingly, the  
13 fraudulent transfer claim against Catalina should be dismissed with prejudice.

14 **II. ARGUMENT**

15 **A. Day’s Cross-Complaint Does Not Meet the Rule 9(b) Standard**

16 Day’s fraudulent transfer allegations do not satisfy Rule 9(b), as required by  
17 federal pleading standards. *See Kelleher v. Kelleher*, 2014 WL 94197, at \*6 (N.D.  
18 Cal. Jan. 9, 2014) (“Without this particularized showing of the circumstances  
19 constituting actual fraud on the part of the named Defendants, the Court finds that  
20 the allegations in the Complaint fail to satisfy the pleading requirements of Rule  
21 9(b)”).

22 Here, Day alleges only that, “[u]pon information and belief, Catalina sold all  
23 of its assets used or useful in the operation of its business” to Reardon (XC ¶ 26)  
24

25 <sup>1</sup> “The UVTA, adopted in California in 2015 and effective January 1, 2016, is  
26 a renamed and slightly revised version of the Uniform Fraudulent Transfers Act  
27 (‘UFTA’).” *Stadtmueller v. Sarkisian*, 2025 WL 1370819, at \*2 (S.D. Cal. May 12,  
28 2025). For purposes of this Motion, the UVTA and UFTA are substantively the  
same.

1 and that she is informed and believes Catalina “made the transfer with the intent to  
2 hinder, delay, or defraud” her. (XC ¶ 53). But, entering into an asset purchase  
3 agreement is a lawful business transaction; to transform it into fraud, Day must  
4 plead particularized facts showing fraudulent circumstances.

5 Reciting several “badges of fraud” upon “information and belief” (XC ¶¶ 51-  
6 57) does not suffice without a concrete factual basis for that belief. *Neubronner v.*  
7 *Milken*, 6 F.3d 666, 670 (9th Cir. 1993) (“a plaintiff who makes allegations on  
8 information and belief must state the factual basis for the belief”). “Suspicious  
9 circumstances” do not constitute a sufficient factual basis for fraud allegations. *Id.*  
10 Day provides no factual basis for believing that Catalina sold all of its assets, that  
11 Catalina received less than reasonably equivalent value, that the sale left Catalina  
12 insolvent, or that the transfer was timed to avoid paying Day. Without such  
13 particularized allegations, Count Four should be dismissed with prejudice.

14 **B. Day’s Fraudulent Transfer Claim Seeks No Viable Recovery**

15 To avoid Catalina’s double recovery argument, Day contends her fraudulent  
16 transfer claim should survive because she can plead in the “alternative” and “elect  
17 her remedies following judgment.” (Opp. at 6). This argument fails for two reasons:  
18 first, alternative pleading is impossible given the nature of UVTA claims; second,  
19 no viable remedy exists against Catalina under the UFTA once Day dismisses the  
20 transferee.

21 Day cannot plead a UVTA claim “in the alternative” to her underlying breach  
22 of contract claim because the UVTA presupposes an existing creditor-debtor  
23 relationship. The UVTA “declares rights and provides remedies for unsecured  
24 creditors against transfers that impede them in the collection of their claims.” *Renda*  
25 *v. Nevarez*, 223 Cal. App. 4th 1231 (2014) (internal quotation marks omitted). In  
26 other words, for the UVTA to apply, Day must already be Catalina’s creditor based  
27 on liability established through some other claim. *Id.* Alternative pleading—which  
28 assumes uncertainty about whether liability exists—is incompatible with a UVTA

1 claim, which assumes liability already exists and seeks only to reach transferred  
2 assets.

3 Even assuming Day establishes liability on her breach of contract claim,  
4 *Renda* forecloses a duplicative money judgment against Catalina under the UVTA.  
5 *Renda* held unequivocally that “a creditor who has obtained a judgment for damages  
6 against a debtor in a prior action is not entitled under the UVTA to recover a  
7 personal judgment against the debtor for the amount of money the debtor  
8 subsequently transfers to third parties.” *Id.* at 1239. Allowing an additional money  
9 judgment against the transferor-debtor “would in effect allow [the creditor] to  
10 recover more than the underlying judgment, which the [UVTA] does not allow.” *Id.*  
11 at 1238.

12 Day cites *Filip v. Bucurenciu*, 129 Cal. App. 4th 825 (2005) for the  
13 proposition that the court is empowered to award any “relief the circumstances may  
14 require,” which may implicate Catalina, who effectuated the transfer and therefore,  
15 remains the obligor on the debt. (Opp. at 7).

16 *Renda* specifically distinguished *Filip* on this point. The *Renda* court noted  
17 that in *Filip*, while the court stated that “fraudulently transferring property”  
18 constitutes “tortious conduct” sufficient to support liability on a conspiracy theory,  
19 this statement was dictum. 223 Cal. App. 4th at 1240. Critically, *Renda* emphasized  
20 that “the particular relief to which the court held the plaintiff was entitled was a  
21 judgment setting aside the transfers and authorizing sale of the transferred properties  
22 to satisfy the plaintiff’s underlying judgment against the debtor who made the  
23 fraudulent transfers.” *Id.* The *Renda* court concluded: “The *Filip* court did not hold  
24 the plaintiff was entitled to a money judgment against the debtor for tort damages  
25 under the UFTA.” *Id.* Accordingly, *Filip* does not authorize a money judgment  
26 against Catalina.

27 More importantly, in *Filip*, the transferees were defendants throughout the  
28 litigation. *Filip*, 129 Cal. App. 4th at 831-32. The court could grant relief setting

1 aside the transfers and authorize the sale because the transferees were parties to the  
2 action and subject to the court's orders requiring them to disgorge the fraudulently  
3 transferred property. The court's "broad equitable powers" that Day references were  
4 exercised over parties who actually held the transferred assets and could be ordered  
5 to return them. Those facts are not present here.

6 Here, Day and Douglas have indicated they will dismiss Reardon, and those  
7 dismissals should be before the court by the time this motion is heard. Without  
8 Reardon as a party, the Court lacks a transferee over whom it can exercise equitable  
9 power to unwind the transfer; there is no one to order to return the transferred assets.

10 Day argues she "can elect her remedies following judgment" and may pursue  
11 "alternative or cumulative remedies" (Opp. at 6). This argument assumes that  
12 multiple viable remedies exist. They do not. *Renda* prohibits any additional money  
13 judgment against Catalina under the UVTA. Because neither a duplicative damages  
14 award (barred by *Renda*) nor equitable avoidance (impossible without the  
15 transferee) is available, there is no remedy for the UVTA claim against Catalina  
16 alone. The claim should be dismissed with prejudice.

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1 **III. CONCLUSION**

2 For these reasons, Day’s fraudulent transfer claim against Catalina—pleaded  
3 without particularity, seeking duplicative recovery, and incapable of equitable relief  
4 (especially once the transferee is dismissed)—fails as a matter of law. Count Four  
5 should be dismissed with prejudice.

7 DATED: October 6, 2025

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By: /s/ Michael C. Lieb

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18 **CERTIFICATE OF COMPLIANCE**

19 The undersigned, counsel of record for Michael C. Lieb, certifies that this  
20 brief contains 1,160 words, which:

21 ☒ complies with the word limit of L.R. 11-6.1.

22 ☐ complies with the word limit set by court order dated \_\_\_\_\_.

24 DATED: October 6, 2025

/s/ Michael C. Lieb

Michael C. Lieb